

Priority Area Kaizen Projects

Report Out Meeting

August 31, 2017

Priority Area Kaizen: FOIA Process

What

- EPA uses a decentralized model for processing FOIA requests that relies on a variety of different processes across the agency. Simultaneously, the number of FOIA requests [seeking electronic records] that involve more than one office or region has increased significantly in the last several years. This creates significant burden upon agency staff and resources, results in confusion, increases litigation risks, affects timeliness of initial interaction with and final response to requestors, and raises uncertainty regarding the application of FOIA across the agency.

Performance Goal

- Meet statutory deadlines for responding to FOIA requests and appeals on 100% of such requests received by FY22.

Priority Area Kaizen: FOIA Process

Why

- Reduce the overall burden to EPA for processing FOIA requests
- Improve the quality and consistency of responses
- Limit agency exposure to lawsuits under FOIA
- Improve public satisfaction with EPA FOIA responses

How

- Immediate next steps: Research and conduct root-cause analysis on FOIA issues
- By January 2018: conduct an Agency-wide process improvement event to standardize the process for responding to FOIA
- By April 2018: develop standard work, process flow, definitions, and performance targets across all Regions
- July 2018: start to implement changes for new process

Priority Area Kaizen: Field Presence

What

EPA's field presence in 86 office locations includes 10 regions responsible for serving multiple states, tribes, and territories and a collection of outpost program locations. The regions all have different organizational structures, different budget and workload distributions, and varying field presence models. The National Programs have offices in locations outside the DC metro area whose location may or may not be linked to a program need. There is no clear, consolidated picture of how and why our field presence is organized as it is and how it functions together. Understanding why offices are where they are and what they do will help the Agency make an informed decision about the best way to efficiently and effectively deliver and support its mission.

Priority Area Kaizen: Field Presence

Performance Goals

Understanding our current state is a necessary interim step to understanding the most efficient and effective field presence models. By March 15, 2018, the Workgroup will provide draft recommendations that will be used to inform any changes to our field presence and the associated resources needed in the FY20 budget submission.

Why

This lack of comprehensive, consolidated information prevents the agency from making an informed decision about efficient and effective models for their field presence. All regions and NPMs will need to evaluate and report on its field presence. Where available, offices should cite studies or feedback received from internal or external reviews and information provided by stakeholders or customers.

Priority Area Kaizen: Field Presence

How

A matrix will be developed by the workgroup to collect clear and consistent information on agency functions that can be analyzed. The matrix may include but not be limited to what functions are performed, where they are performed and why they are performed in that location or sub-organization.

| What | Who | Completion |
|--|--------------------------------|--------------------|
| Functions identified and defined | Mission Measures Workshop Team | September 30, 2017 |
| Matrix format and instructions | Field Presence Workgroup | September 30, 2017 |
| Draft matrix developed | Field Presence Workgroup | October 6, 2017 |
| Matrix Piloted initiated | R10 and NPM | October 6, 2017 |
| Pilot and revisions completed | Field Presence Workgroup | October 27, 2017 |
| Full information collections initiated | Field Presence Workgroup | October 30, 2017 |
| Completed Matrices due | All offices | November 30, 2017 |
| Draft recommendations available | Field Presence Workgroup | March 15, 2018 |

Priority Area Kaizen: Contracting

What

EPA's current acquisition process ranked 23 out of 24 agencies for overall customer satisfaction and is inefficient and frustrating to agency staff. In Quarter 4 of FY16 EPA reviewed more than 1,300 procurement requests submitted for processing and found that over half of the procurement requests for task orders, contract modifications, and new acquisitions for products or services had a deficiency requiring rework, thereby delaying the procurement process. Issuing multiple contracts for the same services creates unnecessary work. For example, in FY16 EPA maintained 65 different contract vehicles for education/training services. The acquisition planning process (which spans from the identification of the customer's need to the development and submission of a procurement request package), is unmeasured and unmonitored. These issues impact the agency's ability to secure goods and services in a timely manner in support of our mission to protect human health and the environment.

Priority Area Kaizen: Contracting

Performance Goals

Improve EPA's customer satisfaction ranking as measured by GSA's annual benchmarking survey of agency managers. Improve agency performance against Procurement Action Lead Time (PALT) for the acquisition planning phase (from identification of need to submission of a complete procurement request package) by X% in FY18, and contract processing (from the submission of a complete procurement request package to contract award) by X% in FY18. Reduce procurement request package deficiencies by X % in FY18. Reduce number of duplicative contract vehicles in each commodity area by 10% in FY19.

Priority Area Kaizen: Contracting

Why

Improve EPA's overall acquisition/contracting function

- Improved Procurement Action Lead Times for both planning and execution phases
- Reduce procurement request package deficiencies
- Reduce number of duplicative contract vehicles for same services
- Assess and recommend best organizational alignment of acquisition function

Improve EPA's Customer Satisfaction Ranking

How

September – December: Review PALT data for potential focus areas; engage Acquisition Management Council; Collect additional data; Establish Subgroups/Members and focus areas; and update/refine goals, targets, etc.

Risks include: Ability to gather data, change management, staffing given end of FY and workload; IT system constraints

Priority Area Kaizen: State and Tribal Financial Assistance Flexibility (Performance Partnership Grants Priority Area)

What

EPA, states and tribes are not getting the full efficiency and effectiveness benefits inherent in Performance Partnership Grants (PPGs) as evidenced by the current 41% utilization rate of eligible categorical grant funds managed through PPGs. The benefits not being fully realized include flexibility to direct resources to where they are needed most, shift work across program areas, fund cross cutting projects, and utilize a single blended budget, all of which reduce reporting requirements and save resources. States and tribes report that inconsistency across EPA organizations, coupled with the high transaction costs of seeking approval for programmatic flexibility in PPGs, impedes use of the PPG and its flexibility.

Priority Area Kaizen: State and Tribal Financial Assistance Flexibility

Performance Goals

Establish three interim goals aligned with FY18-22 Strategic Plan (Objective 2.2) and engage with states/tribes to develop joint commitment through cooperative federalism

Annual Interim Goals – aim for a moderate increase from our current baseline while we develop other joint goals

- PPG Utilization (state): Increase percentage of eligible categorical grant funds in state PPGs to XX%
- PPG Flexibility (state): Increase instances of use of states using programmatic flexibility by XX#/XX%
- PPG Utilization (tribal): Increase percentage of eligible categorical grant funds in tribal PPGs to XX%

Priority Area Kaizen: State and Tribal Financial Assistance Flexibility

Why

- PPGs and National Environmental Performance Partnership System (NEPPS) are well situated to help operationalize the Agency's cooperative Federalism goals. They offer states, tribes and territories greater flexibility to set joint priorities, strategically leverage resources and assess environmental conditions. NEPPS is a "system" of principles and the interconnected tools that comprise the EPA, state, and tribal planning infrastructure
- As of the 2016 bi-annual survey, only 41% of categorical grant funds are delivered to states and tribes within a PPG
- Feedback from states and tribes indicate that the intended flexibility/efficiencies of NEPPS/PPGS are underutilized and not achieving desired results

Priority Area Kaizen: State and Tribal Financial Assistance Flexibility

How

Timeline

- Through meaningful coordination with states and tribes, identify barriers and improvements to PPG utilization and flexibility in FY18. FY18 NEPPS Survey (under development) to gather state and tribal PPG flexibility data
- FY18 Performance Partnership Grants cycle: first cycle to benefit from this effort (with awards made in 3rd/4th quarters of fiscal year)
- Robust implementation by states/tribes in FY19 PPG cycle
- Conduct internal review to identify which eligible grant programs are underutilized in PPGs and why; develop implement plan to address barriers
- Roll-out PPG training to EPA staff and managers involved in PPG process (FY18)

Priority Area Kaizen: State and Tribal Financial Assistance Flexibility

How

Risks

- Late budgets can adversely impact how much time states and tribes have to transition to better use of PPGs.
- Cultural challenges: we need policy-level expectations for use of PPGs, additional training within EPA, and meaningful engagement with states and tribes
- A lack of understanding of the duality of PPG flexibility and accountability – internally at EPA and externally with states and tribes

Immediate Next Steps

- Confirm workgroup to implement project
- Develop draft project plan for state/tribal review and engagement

Priority Area Kaizen: Laboratory Operations

What

EPA does not have an enterprise-wide framework to manage laboratory capabilities and capacity in the most efficient and effective manner to meet the scientific demands associated with achieving the agency's mission, from long-term research to short-term applied scientific and technical support for both urgent and day-to-day situations. The lack of such a framework has impaired the agency's ability to address unnecessary redundancies in capability and capacity, right size the overall footprint, and take full advantage of collaborative opportunities.

Priority Area Kaizen: Laboratory Operations

Performance Goals

Goal Statement: EPA will develop and implement an enterprise-wide operating framework for managing the agency's laboratory operations which will enable the agency to optimize the use of laboratory space, equipment and personnel in pursuit of the agency's mission to protect human health and the environment. As part of this effort, EPA will:

- (1) Optimize Agency investments in laboratory equipment by leveraging high-end equipment across the Agency and seeking opportunities to externally leverage high end equipment where possible by April 2018;
- (2) Implement an operating system(s) that support integrated and strategic management approaches for Agency analytical capacity and capabilities by October 2019;
- (3) Reduce the number of distinct laboratory facilities from xx in 2016 to yy in 2022; and,
- (4) Reduce current laboratory operating costs by xx percent by 2022.

Priority Area Kaizen: Laboratory Operations

Why

Projected outcomes

Institution of an operational framework that increases the efficiency and effectiveness of Agency laboratory operations and breaks down corporate barriers to provide a resilient and agile laboratory infrastructure that positions the Agency to be responsive to a wide variety scientific and technical needs.

Evidence

- Previous studies going back three decades
- Internal and external collaborative agreements (e.g., regional agreements, MOA, MOUs)
- Regional laboratories have an existing agreement back each other up by loaning staff or running samples. This has enabled the Agency to be nimble in its response to emergency situations such as hurricanes or Flint.

Priority Area Kaizen: Laboratory Operations

How

Timeline

- Develop options for operational framework (Oct 30 2017)
- Meet w/ OARM and OCFO to review laboratory facility/cost data and master plans (Nov 2017)
- Brief COO (Nov 2017) and Agency Leadership (Dec 2017)
- Determine common nomenclature for property (Dec 2017)
- Identify high level laboratory facility reduction and cost reduction targets (Mar 2018)
- Produce report using common property nomenclature and identify opportunities to leverage high end equipment (Apr 2018)
- Complete analysis of existing operating systems used by Agency laboratory operations and identify required common elements for an integrated system (Aug 2018)
- Implement selected operational framework option (Oct 2018)
- Implement new/revised operating system(s) to support integrated and strategic mgmt. approaches (Oct 2019)
- Implement laboratory consolidations (Dependent on budget, lease, decommissioning, other factors)

Priority Area Kaizen: Laboratory Operations

How

Risks

- Spend money to save money - costs associated with clean-up, renovation and modification of space
- Laboratory downtime impacting delivery of mission critical scientific and technical support
- Personnel impacts - relocation, retention of expertise
- Political considerations

Priority Area Kaizen: Mandatory Reporting

What

Some reporting and record keeping requirements imposed by EPA on business are duplicative, unnecessarily frequent, or not essential to achieving Agency's mission. The current reporting and recordkeeping burden from EPA requirements on regulated entities is up to 135 million hours plus nearly \$2 billion.

Scope

Active EPA ICRs up for renewal and underlying regulations requiring mandatory reporting and recordkeeping affecting businesses, initially.

Priority Area Kaizen: Mandatory Reporting

Performance Goals

EPA will evaluate X percent of the ICRs up for renewal, and the underlying regulations, and propose reductions of reporting and recordkeeping requirements that are duplicative, unnecessarily frequent, or not essential to achieving Agency's mission.

Immediate Next Steps

- We intend to conduct further analyses of OMB's ICR database to further refine the scope and goal for this initiative.
- In order to help prioritize which ICRs would be reviewed, we plan to review several sources of information, including EPA's Reg Reform docket, DOC's RFI docket, previous e-enterprise initiatives, state recommendations, and the industry comments from meetings associated with the sectors initiative.

Priority Area Kaizen: Permitting

What

- EPA and States often take too long to issue federal environmental permits.

Performance Goals/Goal Statements

- To issue all permits and modifications in less than 6 months by 2022.

Priority Area Kaizen: Permitting

Why

- For many stakeholders, a real and perceived problem is EPA and States take longer than is actually necessary to issue environmental permits, even when EPA is meeting statutory or regulatory deadlines.
- Speeding up permit issuance will ensure faster implementation of up-to-date environmental requirements.
- More efficient permitting will also free up valuable EPA and state resources, helping us to meet our broader environmental responsibilities.
- Faster issuance of new permits will help businesses create jobs and economic growth.

Priority Area Kaizen: Permitting

How

Implementation timeline and risks

- Develop “glide paths” for the different EPA programs to reach the goal by 2022. E.g., it is likely that NPDES permits will reach this goal before 2020; but NSR permits will need until 2022 to successfully meet the target.
- There is a real risk that for some permitting programs, staff with the expertise needed to engage in the process improvements will not be sufficiently able to work on them from 2017-2022 due to the need to focus their expertise on other policy priorities.

Priority Area Kaizen: Permitting

How

Capacity/resources/data needed for implementation

- Headquarters and Regional offices will need to assess the staffing capacity and resources needed to engage in Leaning permitting processes from now until 2022.
- We need data about EPA's permitting time frames. And we will need an Agency work group to develop the data call and infrastructure for collecting the data
- Will need to clarify definitions and a few lingering issues around how we explain the scope (e.g., new permits, renewals and modifications), define the different types of permits (e.g. site-specific, individual and general), and how we characterize the time frames differently for individual and general permits.

Priority Area Kaizen: Permitting

How

Immediate next steps

- Collect data on EPA's permit programs to know which permits are taking longer than 6 months to be issued and to better understand where our efforts need to be focused
- Develop annual measures that differentiates between permitting programs' goals and targets, and the differences between individual and general permits
- Develop communication plans for the public and for EPA employees

Priority Area Kaizen: SIP Process

What

- **Problem statement:** With a backlog of more than 350 SIPs as of Aug 2017, and continuing to receive roughly 200 SIPs per year, EPA is meeting statutory deadlines only 64% of the time.
- Through robust internal process improvement and other efforts, EPA has reduced the SIP backlog by 49% in the last 4 years while working with state partners to prioritize our actions among new submittals and backlogged SIPs.
- If we fail to act on SIPs within the statutory timeframes, we create the risk of deadline lawsuits that erode the Agency's ability to prioritize actions on SIPs consistent with the needs of our state partners and air quality improvement goals.
- Balancing resources to take action on both backlogged and newly submitted SIPs is important since not all SIP actions taken by EPA are necessary for areas to achieve air quality goals.
- The number of backlogged and incoming SIPs varies widely across regional offices, as does the complexity of issues presented by SIPs. Both factors affect how quickly EPA is able to act on SIPs as does the statutory requirement that Regional actions on SIPs are consistent.

Priority Area Kaizen: SIP Process

Performance Goal

- By FY22 eliminate the backlog and take action on 100% SIPs received within the statutory deadline.

Why

- Reduce uncertainty for states and other stakeholders, enable EPA to meet statutory obligations under the CAA, and ensure that state plans to attain and maintain the CAA are in compliance with statutory requirements.
- Reduce litigation risks for the Agency due to missed deadlines, and enable EPA and states to focus on priorities based on environmental goals consistent with CAA requirements.

Priority Area Kaizen: SIP Process

How

By April 2018 - Conduct an Agency-wide Kaizen event to develop a nationally consistent process and visual management approach for EPA review and action on SIPs

- Each region and HQ office that is involved in the SIP process maps out its piece of the SIP review/action process in advance of the event.
- Develop standard work, process flow, performance targets, and visual management tools across all Regions covering both process (how work is completed) and performance (work quality) – within 3 months of event.
- Establish prioritization schemes for SIP actions most relevant to moving areas from nonattainment to attainment or maintaining attainment designations – within 3 months of event.
- Develop external communication plan w/ focus on state partners – within 3 months of event.

Immediate next steps:

- Task all Regions with reviewing their backlogs, identifying status/paths forwards/needs as appropriate to take action on those SIP submittals, and mapping their regional SIP review/action processes